

# Scrutiny Committee report



## 16 September 2014

Report no.

Report of Head of Finance

Author: Paul Howden

Tel: 01491 823830

Textphone: 18001 01491 823830

E-mail: paul.howden@southandvale.gov.uk

Cabinet Member responsible: David Dodds

Tel: 01844 297714

E-mail: david.dodds@southoxon.gov.uk

To: Scrutiny Committee

DATE: 16 September 2014

## Performance review of CAPITA for the period 1 April 2013 – 31 March 2014

### RECOMMENDATION

That the committee considers Capita's performance in delivering the eight elements of the financial services contract for the period 1 April 2013 to 31 March 2014 and makes any recommendations to the Cabinet member for finance.

### PURPOSE OF REPORT

1. The purpose of this report is to review the performance of Capita in providing financial services during the review period of 1 April 2013 to 31 March 2014.

### STRATEGIC OBJECTIVES

2. **Strategic Objective - “effective management of resources”**: The financial services contract contains a number of key performance indicators and a payment and performance mechanism that details a system of bonuses and penalties relating to these indicators. The majority of services provided are also key front line services and it is important to ensure our partnership working with Capita and Vale of White Horse District Council continues to provide improved efficiencies and value for money in these key services to the public.

## BACKGROUND

3. The financial services contract commenced on 31 July 2006 and is a joint contract between South Oxfordshire District Council (SODC), Vale of White Horse District Council (VWHDC), and Capita. It was a ground breaking contract that included the creation of a shared services model created by SODC and VWHDC to modernise and achieve economies of scale in the provision of financial services. The partnership has enabled processes and procedures to be harmonised and efficiency savings to be made as a consequence.
4. The contract duration was for an initial term of seven years (ending on 30 July 2013) but an option to extend it for a further three years to 30 July 2016 was taken up in April 2011.
5. The specification for the financial services contract currently comprises the following elements:

Service
Council tax and non-domestic rates collection
Benefits administration
Accounts receivable (debtors) administration
Accounts payable (creditors) administration
Payroll system and system administration
Integrated financial management information system and system administration (general ledger, accounts payable & receivable, payroll)
Customer contact services
Cashier services

6. Although the contract is a joint one with VWHDC, this report only concentrates on performance in respect of SODC.

## PERFORMANCE REVIEW OF CAPITA

7. A system for the performance review of contractors has been devised which requires the following measures to be included in the evaluation:
  - measured performance against key performance targets (KPT's)
  - customer satisfaction with the total service experience, and
  - council satisfaction as client
8. For the purpose of this review the contract with Capita has been scored in six parts:
  - revenues and cash office
  - benefits
  - exchequer (accounts payable, accounts receivable)
  - financial management system
  - customer contact

- payroll
9. The Cabinet member for Finance will make the assessments of Capita's performance after consideration by the committee. The detailed officer assessments (based on the measures of excellent; good; fair; weak; poor) are as follows:

## REVENUES

### Dimension 1 – Key performance targets (KPTs)

10. Performance against performance targets is given in **Appendix 1** with the indicators that are key performance targets for the contractual payment and performance mechanism in bold.
11. The main points to note when assessing performance for the review period include:
- Capita achieved an in-year collection rate of **98.75 per cent** (2012/2013 98.78 per cent) for council tax collection against a target of 98.6 per cent. This was the **second best in-year collection rate recorded** (and was 16<sup>th</sup> best in the country compared to 30<sup>th</sup> the previous year). Considering the economic climate and the fact that nationally collection rates have dropped by 0.4 per cent (with a 21 per cent increase in arrears), it was a tremendous achievement. The council also had the third highest collection rate out of 31 in its south eastern benchmarking group. It should also be noted that arrears continue to be collected after the end of the financial year
  - Capita achieved an in-year collection rate of **98.59 per cent** (2012/2013 98.55 per cent) for business rate collection against a target of 99.4 per cent (this target relates to the final year of Best Value Performance Indicators (BVPIs) in 2007/08). The national collection rate was 97.9 per cent. The council had the 13th highest collection rate out of 31 in its south eastern benchmarking group
  - The cash office continued to run smoothly with no issues during the year.
12. Based on this performance the head of service has made a judgement on KPT performance for revenues:

KPT judgement

**Excellent**

Previous KPT judgement for comparison

**Excellent**

### Dimension 2 – Customer satisfaction

13. Customer satisfaction with council services is of high importance. Though the council is ultimately responsible for delivering customer satisfaction, the operational duty of providing customer service is delegated to the contractor.

Taking customer satisfaction into account when evaluating performance ensures that Capita is focused on the outcome of performance for customers.

14. In accordance with the model for reviewing performance of contractors, measurement of customer satisfaction should be undertaken through:

- ongoing measurement by the contractor as part of the service
- independent surveys commissioned by the council as part of its consultation process.

15. To meet the council's requirements, satisfaction is measured on a scale of 1-5 which is convenient and replicates the Audit Commission's previous BVPI measurements:

- 5 – very satisfied
- 4 – satisfied
- 3 – neither satisfied nor dissatisfied
- 2 – dissatisfied
- 1 – very dissatisfied

16. Due to its significant impact upon our more vulnerable customers, it is the benefits service that is heavily scrutinised as far as the financial services contract is concerned. The revenues collection function rarely gets compliments due to the nature of the service, and although the council demands high collection rates it requires processes to be efficient and perceived as fair by the customer. Capita undertook its own satisfaction surveys (guided by the council's consultation officer) on council tax and business rates during 2013/14 and these gleaned the following feedback:

- Satisfaction with the business rates service was **77 per cent** (64 per cent in 2011/2012) and specifically in terms of accuracy of the bill **64 per cent** (59 per cent in 2011/2012); additional information that accompanied the bill **76 per cent** (49 per cent in 2011/2012); and, methods of payment available **68 per cent** (67 per cent in 2011/2012). **Four per cent** (11 per cent in 2011/2012) said they encountered problems paying their bills and **14 per cent** (eight per cent in 2011/2012) of those who contacted the council claimed that their query was not resolved on first contact
- Respondents who contacted the service by telephone were positive about the way their calls were handled **100 per cent** (70 per cent 2011/2012) i.e. calls were answered quickly **100 per cent** (80 per cent 2011/2012); queries were dealt with swiftly **86 per cent** (70 per cent 2011/2012). In addition **no one** (15 per cent 2011/2012) felt it was difficult trying to get to speak to the right member of staff
- Satisfaction with staff was **100 per cent** (65 per cent 2011/2012), with staff being perceived as friendly; they treated respondents with respect; and, explained things in a way they could understand. However, **38 per cent** (35 per cent 2011/2012) did not always feel confident that what staff said was correct.

- Overall satisfaction with the council tax service was **83 per cent**. Ease of understanding the bill was **81 per cent** and additional information that accompanied the bill **78 per cent**. Satisfaction with methods of payment available was **87 per cent**.
- **78 per cent** were satisfied with written contact they had with the council. Satisfaction with staff was **71 per cent** with staff being perceived as friendly **73 per cent**; they treated respondents with respect **66 per cent**; and, explained things in a way they could understand **68 per cent**. However, **7 per cent** did not always feel confident that what staff said was correct.

17. The council received **19** official revenues (council tax and business rates) complaints during 2013/14 (17 in 2012/13). The majority of these complaints were dealt with promptly and although seven complaints were justified (with bailiff fees of £88 being waived), all seven were resolved at stage one of the complaints procedure. On one complaint which was not justified a refund of £18 was issued as a gesture of goodwill.

18. The annual billing process was once again carried out efficiently and the continuation of paperless direct debits offers a convenient facility for taxpayers to set up direct debits over the phone. By the end of the year the council was at its all time highest direct debit take-up of over **77 per cent**. This is the second highest achieved by Capita and is higher than most other councils. In addition, Capita undertook an e-billing take up campaign which resulted in **15 per cent** of council taxpayers electing to receive their bills electronically. Based on Cipfa benchmarking statistics this equalled the best in the country.

19. Capita undertook an Equalities Impact Assessment (EIA) of the council tax service in 2011/12 and completed some ongoing actions in 2013/14, specifically around raising awareness about council tax discounts/reliefs and targeting older people, people on low incomes and people with disabilities. In addition, all Capita staff completed a mandatory on-line equality and diversity training module. Capita also demonstrated its compliance with the Equality Act and the equality elements of the contract, through the completion of a quarterly monitoring form.

20. Regular (three times per year) meetings with the Citizens Advice Bureaux were once again well received and did not raise any concerns in the areas of council tax and business rate collection and enforcement.

21. Capita handled **38,407** council tax telephone calls at its Coventry contact centre during the year (**4,825 (14 per cent) more than 2012/13**). It managed to answer **74 per cent** of these calls within 20 seconds (the target being 80 per cent). Unfortunately, the target was not met due to the increased volume in calls at annual billing time following the technical changes made to council tax empty discounts and the long-term empty premium. Although the service was very good and met the target during calmer periods it did not recover enough to mitigate the problems we experienced at the start of the year. The council received no official complaints regarding the contact centre during 2013/2014.

22. Based on this performance, the head of service has made a judgement on customer satisfaction for revenues and the cash office as follows:

Customer satisfaction judgement

<b>Good</b>
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Previous Customer satisfaction judgement for comparison

**Good**

### Dimension 3 – Council satisfaction

23. Whilst customer satisfaction is an important priority, a further important dimension is the satisfaction expressed by the council as the client on whether the contractor is meeting its needs and expectations. These needs and expectations have been measured using the model for reviewing performance of contractors and are attached as **Appendix 2**.

24. This produced a score of **4.74** out of a maximum score of **5.0**. Based on this performance, the Head of Finance made the following judgement on Capita’s delivery of council satisfaction.

Council satisfaction judgement

**Excellent**

Previous Council satisfaction judgement for comparison

**Excellent**

### Overall assessment – Revenues

25. Taking into account the performance of Capita against KPTs, customer satisfaction and council satisfaction, the head of service has made an overall judgement as follows.

Overall assessment

**Excellent**

Previous Overall assessment for comparison

**Excellent**

### Strengths and areas for improvement

26. **Appendix 2** records strengths and areas for improvement relating to the performance of Capita during the review period. Where performance is lower than that expected the contract manager will agree an improvement plan with Capita. This has not been required for this element of the contract

### Contractor’s feedback

27. A key feature of the process for reviewing the performance of contractors is that the council provides them with an opportunity to give their feedback on the assessment, including suggestions for improvements to the council processes. This is included in **Appendix 8**.

## BENEFITS

### Dimension 1 – Key performance targets (KPT's)

28. Performance against performance targets is given in **Appendix 1** with the indicators that are key performance targets for the contractual payment and performance mechanism in bold.

29. The main points to note when assessing performance for the review period include:

- The figure for speed of processing new claims (the old BVPI 78a measure) came in at **13.13 days** (under the **16 day target**) compared to 12.27 days in 2012/2013 against a target of 19 days). This was the **second best ever in-year performance**. Changes in circumstances (the old BVPI 78b measure) came in at **6.09 days** against a very challenging target of **8.5 days**, compared to 5.50 days in 2012/2013 against a target of 9.5 days. Again, this was the **second best ever in-year performance**. **NI 181** (combined new claims and changes processing) came in at an excellent **6.90 days** (and under the **10 day target**) compared to 6.30 days in 2012/2013 against a 13 day target. This was also **the second best ever recorded performance**. Generally, the council received more changes in circumstances during 2013/14 and, although we saw a 50 per cent take up in on-line reporting through the council's website (we are one of the first council's in the country to offer this facility) this has resulted in a slightly anomalous change in behaviour pattern in that people seem to be slower to provide supporting evidence for these claims. This has had a slight adverse effect on processing times – however, all our figures rank with the best in the benchmarking group
- Capita's focus on getting benefit assessments "right first time" continued during 2013/14. The financial accuracy performance rate for 2013/14 was an excellent **96.82 per cent** (based on the council's statutory checks). Although this was below the 97.18 per cent recorded in 2012/13 it was above the very challenging target of 95 per cent and was the second best accuracy rate since the inception of the contract (and compared very favourably with our benchmarking group)
- During 2013/14 the council's external auditors, for the first time since the inception of the contract, did not qualify the (council's 2012/13) benefit subsidy grant claim. Around 80 per cent were qualified nationally. Again the council did **not** breach the local authority financial error threshold levels and, as a consequence, was not financially penalised. This was reported to the Audit and Governance Committee meeting in January 2014
- Recovery of overpaid benefit, which had in the past been subject to close scrutiny by the council, once again made great strides during 2013/14. During the year old debt reduced by **£360,090** whilst **74.72 per cent** of all debts raised during 2013/14 were collected, amounting to **£849,240**. Benefit debt, which is predominantly claimant error and fraudulent overpayments, is notoriously difficult to collect and prompt, firm action is required to keep on top of it. Of the year end arrears, which totalled £1.587m, 54 per cent of the debt (51 per cent

of debtors) was subject to arrangements. This tough and successful collection regime has allowed the council to significantly reduce its bad debt provision.

30. Based on this performance the head of service has made a judgement on KPT performance for Benefits as follows:

KPT judgement	<b>Excellent</b>
Previous KPT judgement for comparison	<b>Excellent</b>

## Dimension 2 – Customer satisfaction

31. As explained above, due to its significant impact upon our more vulnerable customers, it is the benefits service that is heavily scrutinised as far as the financial services contract is concerned. Capita undertook its own satisfaction survey during 2013/14 (guided by the council’s consultation officer) which gleaned the following feedback:

- Taking everything into account, **91 per cent** of customers were satisfied with the service they received from the benefits office compared to 78 per cent in 2011/2012
- **81 per cent** of customers were satisfied with the amount of time it took to tell them whether their claim was successful or not, compared to 75 per cent in 2011/2012
- **17 per cent** of customers surveyed felt their benefit had been calculated incorrectly during the year compared to 19 per cent in 2011/2012.
- **83 per cent** of customers were satisfied with the ways in which they could contact the benefits office compared to 76 per cent in 2011/2012
- **22 per cent** of customers felt they had to wait a long time to see the person they wanted compared to 11 per cent in 2011/2012
- **86 per cent** of customers said they were satisfied with their visit to the benefits office compared to 43 per cent in 2011/2012
- **58 per cent** of customers were satisfied with the telephone service (compared to 33 per cent in 2011/2012), with **73 per cent** feeling their query was dealt with quickly (25 per cent in 2011/12) and **70 per cent** agreeing that their call was answered quickly (24 per cent in 2011/12). However, **21 per cent** felt it was difficult getting through to the right person (6 per cent in 2011/12)
- **92 per cent** of customers were satisfied with the service from staff (64 per cent in 2011/12) and **94 per cent** felt staff were friendly (62 per cent in 2011/12). **84 per cent** of customers felt staff treated with them respect (66 per cent in 2011/12) whilst **73 per cent** felt things were explained in a way they could understand (50 per cent in 2011/12)



- **10 per cent** of customers felt that staff were in a rush (13 per cent in 2011/12) and **8 per cent** felt they were not able to ask the questions they wanted to (15 per cent in 2011/12). **29 per cent** weren't always sure what staff said was correct (24 per cent in 2011/12)
- **62 per cent** of customers were satisfied with the claim form compared to 64 per cent in 2010/2011 whilst **25 per cent** felt letters sent about their claim were difficult to understand compared to 33 per cent in 2010/2011.
  - Generally, the main improvements customers would like to see would be (i) the time taken to tell them whether their claim was successful or not **12 per cent** (ii) improvements to the claim form **8 per cent** (iii) improvements to the telephone service **3 per cent**. Interestingly, **39 per cent** said nothing needed improving.

32. The financial services contract with Capita specifies achieving good performance and high levels of customer care and satisfaction. It also specifies building up good working relationships with stakeholders – both internal (e.g. the council's Housing Services Team who share approximately **200** mutual customers at any one time) and external (e.g. Registered Social Landlords – RSLs – who share approximately **3,703** mutual customers at any one time), to promote joint working where appropriate to improve the end customer experience. To this end Capita has:

- Conducted joint visits with both Housing and RSL staff where this has been requested and held surgeries at RSL offices
- Trained Housing and RSL staff to verify benefit applications (which avoids unnecessary duplication)
- Held meetings with Housing staff where required to address working practices to improve efficiency and effectiveness, end customer experience, and, service level agreements
- Held benefit surgeries around the district where there was demand for them. This increases customer access to the service and is an alternative to home visits.

33. Generally, very positive feedback was received from RSL's and the CABx during the regular liaison meetings in 2013/14. This is always a good yardstick as these organisations predominantly represent the most (and most) vulnerable of our customers.

34. Capita handled **21,944** benefit telephone calls at its Coventry contact centre during the year (**5,716 (35 per cent) more than in 2012/13**). It managed to answer **73** per cent of these calls within 20 seconds (the target being 80 per cent). Unfortunately, the target was not met due to the increased volume in calls for the reasons shown below and, although the service was very good and met the target during calmer periods it did not recover enough to mitigate the problems we experienced at the start of the year. The increase in calls were mainly due to:

- April 2013 saw the introduction of the removal of social sector spare room subsidy). This understandably generated additional and more involved

calls. It also caused a substantial increase in the volume of discretionary hardship applications, with associated chase-up calls for those, in addition to the initial enquiries about reduced entitlement. This had an impact, certainly in the earlier part of 2013/14

- During 2013 Capita introduced electronic claim forms. As a result of customers' not following up and providing proofs for these claims, Capita introduced text messaging, asking them to contact Capita to find out what information they had to provide. This resulted in more calls in response to texts
- In July 2013 the national benefit cap was implemented. The numbers of affected people were small, but there were speculative enquiries made by some customers to see if they were affected. Customers who were affected were contacted prior to the start of the cap, but that did not prevent people telephoning to ask questions, as with all of the welfare reforms because of the wide publicity the changes received.

It is fair to say that the council and Capita managed the welfare changes very well. The council received no official complaints regarding the contact centre during 2013/2014 in respect of benefit calls.

35. Capita continued with the council's Equality Impact Assessment (EIA) tasks which advance equal opportunities for people protected by the Equality Act. During 2013/2014 Capita held surgeries where applicable; publicised legislative changes; and, promoted benefits to minority groups through the "Embrace" publication. This should help inform our customers and help increase customer satisfaction in certain areas and groups. Capita also demonstrated its compliance with the Equality Act and the equality elements of the contract, through the completion of a quarterly monitoring form; the collection of equality monitoring data; and, all Capita staff completed a mandatory on line equality and diversity training module.
36. There were six official complaints, **3** of which were justified (compared to 6 and none justified in 2012/2013). All were dealt with at stage one of the complaints procedure.
37. As mentioned above, during the year Capita contributed to the council's channel shift programme with the introduction of electronic claims and change in circumstance reporting. We are one of the first councils in the country to benefit from this facility and it has been welcomed by our registered providers especially. Over 50 per cent of new claims are now received in this efficient and effective way.
38. Based on this performance, the head of service has made a judgement on customer satisfaction for benefits as follows:

Customer satisfaction judgement	<b>Good</b>
Previous Customer satisfaction judgement for comparison	<b>Good</b>

### Dimension 3 – Council satisfaction

39. Whilst customer satisfaction is an important priority, a further important dimension is the satisfaction expressed by the council as the client on whether the contractor is meeting its needs and expectations. These needs and expectations have been measured using the model for reviewing performance of contractors and are attached as **Appendix 3**.

40. This produced a score of **4.84** out of a maximum score of **5.0**. Based on this performance, the Head of Finance made the following judgement on Capita’s delivery of council satisfaction.

Council satisfaction judgement

<b>Excellent</b>
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Previous Council satisfaction judgement for comparison

<b>Excellent</b>
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### Overall assessment – Benefits

41. Taking into account the performance of Capita against KPT’s, customer satisfaction and council satisfaction, the head of service has made an overall judgement as follows.

Overall assessment

<b>Excellent</b>
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Previous Overall assessment for comparison

<b>Excellent</b>
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### Strengths and areas for improvement

42. **Appendix 3** records strengths and areas for improvement relating to the performance of Capita during the review period. Where performance is lower than that expected the council will agree an improvement plan with Capita.

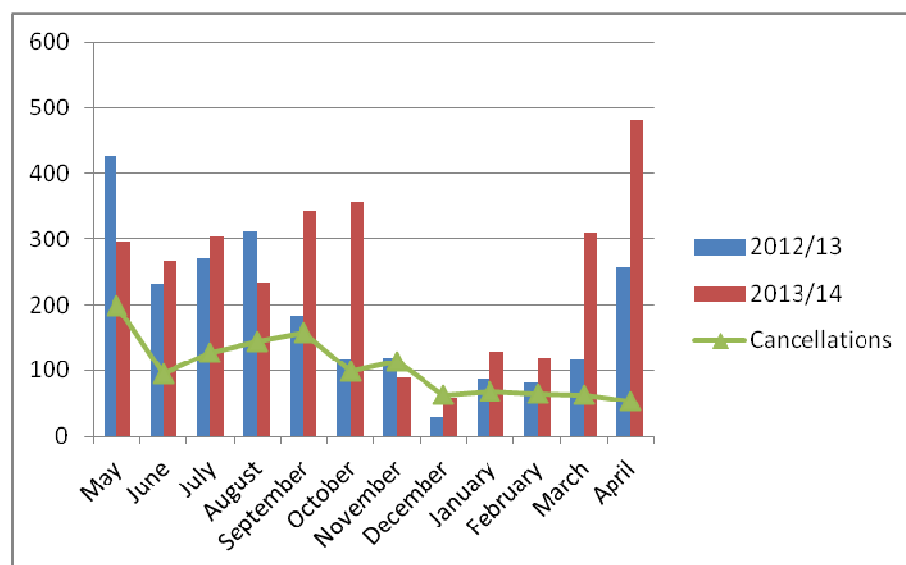
### Contractor’s feedback

43. A key feature of the process for reviewing the performance of contractors is that the council provides them with an opportunity to give their feedback on the assessment, including suggestions for improvements to the council processes. This is included in **Appendix 8**.

## EXCHEQUER – ACCOUNTS PAYABLE AND ACCOUNTS RECEIVABLE

### Dimension 1 – Key performance targets (KPTs)

44. **Accounts Receivable** – maximising sundry debt collections was a key theme of the financial services procurement and during 2013/14 the council (its legal representative and cost centre managers), assisted by Capita, finished the end of the year with its lowest ever recorded arrears levels over 30 days – to the sum of **£35k** compared to the previous year’s best ever of £51k and the debt of in excess of £1m at the commencement of the contract. This was a tremendous achievement.
45. Capita’s performance in issuing (25,632) invoices within two working days of instructions from cost centres was 99.9 per cent. Capita hit 100 per cent performance for the production of (1,172) reminders after 14 days (879 less than in 2011/12) and 747 final notices after 28 days. In addition, important aged debt reports (required for monitoring debt progress) and legal lists (required to determine recovery action) were issued promptly throughout the year and write-off of unrecoverable debts were processed promptly.
46. From 1 May 2012, Capita took on the administrative functions relating to the garden waste service from its Mendip base. One of the reasons behind this was to maximise the number of customers paying for the service. This involved writing to all non-direct debit customers to get them to switch to direct debit. The conversion period was successful and is now complete. In total, the council has 30,000 garden waste customers with **99 per cent** paying by direct debit. Capita took 16,099 calls during 2013/14 and issued 23,229 garden waste invoices. In addition, Capita completed a weekly direct debit run to maximise collections. Capita has also introduced the ability for customers to sign up online with an average of 37 per cent of customers signing up online, with 98 per cent providing an email address. The graph below graph demonstrates the growth in the service year on year.



47. This service area continues to be closely monitored by the council and we are seeing excellent results with cost centre managers also taking more responsibility in recovering the debts that they raise.

48. **Accounts Payable** - Capita continued 2013/14 where it left off at the end of 2012/2013. **99.9 per cent** of (6,713) invoices received were scanned and distributed to service teams within 48 hours and **100 per cent** of (17) urgent payment requests (within the same day) were met. In addition, **100 per cent** of purchase order requests were met.
49. Payment of invoices within 30 days (the old BVPI8 measure) is not a contractual target upon Capita, but it is greatly influenced by the operation and understanding of the Agresso system and by Capita ensuring that invoices are scanned and distributed in a timely manner. Performance in 2013/2014 was a superb **99.38 per cent** compared 98.72 per cent in 2012/2013.
50. Based on this performance the head of service has made a judgement on KPT performance for exchequer as follows:

KPT judgement	<b>Excellent</b>
Previous KPT judgement for comparison	<b>Excellent</b>

## Dimension 2 – Customer satisfaction

51. **Accounts payable** – Capita’s excellent performance in the accounts payable process was maintained in 2013/14. Capita worked closely with the on-site council staff (especially through the Agresso Superuser group during the year) to discuss any problems that arose and make service improvements.
52. Capita has processes in place to provide the council with weekly and monthly reports of invoices waiting to be paid or those that were paid late, which have contributed to the significant improvement in payment of invoice performance.
53. **Accounts receivable** – As explained above, due to its significant impact upon our more vulnerable customers, it is the benefits service that is heavily scrutinised as far as the financial services contract is concerned. However, complaints are monitored through the council’s complaints procedure and during the year no complaints were received.
54. Training and access issues for internal customers (cost centre managers) to enquire on the status of debts raised and income collected were good with Capita becoming more proactive generally. The exchequer manager continued to attend meetings with the legal representatives and the client manager and was generally more accessible for staff.
55. Based on this performance, the head of service has made a judgement on council satisfaction for exchequer as follows:

Customer satisfaction judgement	<b>Excellent</b>
Previous Customer satisfaction judgement for comparison	<b>Excellent</b>

### Dimension 3 – Council satisfaction

- 56. Whilst customer satisfaction is an important priority, a further important dimension is the satisfaction expressed by the council as the client on whether the contractor is meeting its needs and expectations.
- 57. The council's needs and expectations have been measured using the model for reviewing performance of contractors and are attached as **Appendix 4**.
- 58. This produced a score of **4.96** out of a maximum score of **5.0**. Based on this performance, the Head of Finance made the following judgement on Capita's delivery of council satisfaction:

Council satisfaction judgement	<b>Excellent</b>
Previous Council satisfaction judgement for comparison	<b>Excellent</b>

## Overall assessment

59. Taking into account the performance of Capita against KPT's, customer satisfaction and council satisfaction, the head of service has made an overall judgement as follows.

Overall assessment	Excellent
Previous Overall assessment for comparison	Excellent

## Strengths and areas for improvement

60. **Appendix 4** records strengths and areas for improvement relating to the performance of Capita during the review period. Where performance is lower than that expected the contract manager will agree an improvement plan with Capita.

## Contractor's feedback

61. A key feature of the process for reviewing the performance of contractors is that the council provides them with an opportunity to give their feedback on the assessment, including suggestions for improvements to the council processes. This is included in **Appendix 8**.

## FINANCIAL MANAGEMENT SYSTEM (FMS)

### Dimension 1 – Key performance targets (KPTs)

62. System availability. The availability of the Agresso system has remained excellent throughout the period; there have been no major unannounced periods of system non-availability that have inconvenienced users.
63. Systems administration. The service to upload to the system, setting up new codes and new users/removing users, has proved responsive and there are no issues with this part of the contractor's performance.
64. Upgrade of Agresso. The system has had no major upgrades during the period reported on and therefore no comment is made.
65. Although no KPTs are laid down for the FMS part of the contract, the estimated assessment of this dimension is "excellent".

[Notional] KPT judgement

**Excellent**

Previous KPT judgement for comparison

**Good**

### Dimension 2 – Customer satisfaction

66. Accountancy remains the primary customer for the financial management system. Service departments only use the web based version of Agresso. There has been no negative feedback received from the service departments and they remain satisfied with the general service provided, system availability and response to queries.
67. Accountancy services principally use the "back-office" live system. Routine use of the financial management system causes no issues. At times this year there have been some communication issues between Accountancy and the Capita team. We believe some of these issues arise because email is the primary method of communication. We are pleased that Capita is looking to work with us on improving communication between the two teams.
68. We do not feel that the contractor is always as proactive as they could be. We do not feel lessons learned from their other client contracts are always shared and integrated into this contract – this may not be part of the contract, but it would demonstrate that Capita 'offers suggestions beyond the scope of work' and 'go the extra mile'.
69. Quality control issues have been raised during this year. On a number of occasions information requested to be loaded into Agresso has not been successfully loaded. This is not checked by the contractor and is referred back to the accountancy team as completed only for the accountancy team to discover it has not worked properly, meaning a re-input request.
70. Taking the whole year's performance into account, the performance is "good".



Customer satisfaction judgement

**Good**

Previous Customer satisfaction judgement for comparison

**Good**

### Dimension 3 – Council satisfaction

71. Whilst customer satisfaction is an important priority, a further important dimension is the satisfaction expressed by the council as the client on whether the contractor is meeting its needs and expectations. These needs and expectations have been measured using the model for reviewing performance of contractors and are attached as **Appendix 5**.

72. This produced a score of **4.2** (last year was 4.4) out of a maximum score of **5.0**.

Council satisfaction judgement

**Good**

Previous Council satisfaction judgement for comparison

**Excellent**

### Overall assessment

73. There is a reduction in the overall Capita score, but it should be noted that this is only a small reduction.

74. Taking into account the performance of Capita against KPT's, customer satisfaction and council satisfaction, the Head of Finance has made an overall judgement as follows.

Overall assessment

**Good**

Previous Overall assessment for comparison

**Excellent**

### Strengths and areas for improvement

75. **Appendix 5** records strengths and areas for improvement relating to the performance of Capita during the review period. Where performance is lower than that expected the contract manager will agree an improvement plan with Capita.

### Contractor's feedback

76. A key feature of the process for reviewing the performance of contractors is that the council provides them with an opportunity to give their feedback on the

assessment, including suggestions for improvements to the council processes.  
This is included in **Appendix 8**

## PAYROLL

### Dimension 1 – Key performance targets (KPTs)

77. Capita has been providing a payroll system and its administration since January, 2007. Up until February 2012 the council fulfilled the payroll inputting function. Since February 2012 Capita has provided the whole service.
78. There is one KPT for the payroll part of the contract. This requires a timely and accurate payment to all staff and councillors. In other words 100 per cent accuracy of payments by the due date. There have been a few processing errors made by Capita and those that have been made have been rectified quickly with processes being reviewed to help prevent the problem reoccurring. Capita had to complete a re-run of payroll prior to sign off on three out of 12 occasions during 2013-2014 as a result of errors made by Capita that were picked up by HR. If the errors had not been picked up by HR, individuals' pay would have been incorrect. Although errors may occasionally occur it is felt that the number identified during 2013/14 was too high to rate the service as excellent.
79. Based on this performance the head of service has made a judgement on KPT performance for payroll as follows:

KPT judgement	Good
Previous KPT judgement for comparison	Excellent

### Dimension 2 – Customer satisfaction

80. Satisfaction is covering the period April 2013 to March 2014. Customers in this context are staff and councillors. Monthly payments have been made into customers' accounts by the due date, with gross to net calculations generally accurate.
81. No significant customer complaints were received specifically as a consequence of Capita's actions.
82. However, HR was informed that Oxfordshire County Pension services experienced some delay in responses to its queries, which subsequently delayed the issue of the employee pension statements until 2 October 2013.
83. HR also noted a few issues through the year, including:
- Capita's incorrect interpretation of maternity regulations which impacted on employee's pay
  - Much of the auto enrolment changes effective from 1 February were driven by HR rather than Capita payroll and HR undertook the analysis to inform Capita of employees who would be subject to auto enrolment

- At times, Capita has demonstrated a lack of understanding of the pension changes introduced as part of the career average revalued earnings scheme introduced in April 2014, namely for employees returning from a period of unpaid leave.

84. Based on this performance, the head of service has made a judgement on customer satisfaction for payroll as follows:

Customer satisfaction judgement

Good

Previous Customer satisfaction judgement for comparison

Excellent

### Dimension 3 – Council satisfaction

85. Council satisfaction is measured by the client based on the contractor's performance against the council's needs and expectations. These needs and expectations have been measured using the model for reviewing performance of contractors in Appendix 6. This produced a score of 4.2 out of a maximum score of 5.0

86. The working relationship between Capita, HR and finance has continued to develop well. Questions thrown up as part of the monthly checking of the payroll are dealt with efficiently by Capita. It did not always respond to requests for information (e.g. maternity calculations, sickness entitlement) within the appropriate timeframe; however this situation has much improved.

87. HR continues to work alongside Capita to improve and refine the processes relating to payroll and recognises improvements were made during the course of 2013-2014.

Council satisfaction judgement

Good

Previous Council satisfaction judgement for comparison

Excellent

### Overall assessment

Taking into account the performance of Capita against KPT's, customer satisfaction and council satisfaction, the Head of Finance has made an overall judgement as follows.

Overall assessment

Good

Previous Overall assessment for comparison

Excellent

## **Contractor's feedback**

- **A key feature of the process for reviewing the performance of contractors is that the council provides them with an opportunity to give their feedback on the assessment, including suggestions for improvements to the council processes. This is included in Appendix 8.**

## CUSTOMER CONTACT

88. This element of the contract is managed by Andrew Down, head of HR, IT and technical services.

89. Capita first took on the management of South's reception and switchboard services on 16 April 2007, and the measurement of performance against targets began on 31 July 2007.

Dimension 1 – Key performance targets (KPTs)

## VISITORS AND SWITCHBOARD

90. In 2013/14, Capita answered 25,200 calls to the council (2012/13: 43,700) via its Coventry call centre. The year on year fall in call volumes reflects the introduction of interactive voice response (IVR) at Coventry in July 2013, as a result of which approximately 52 per cent of switchboard calls are now handled automatically. This change was introduced at the same time that Vale of White Horse District Council took up the Capita switchboard and front of house service, with savings accruing to both councils as a result.

91. In the same period, Capita processed 30,200 visitors (2012/13: 26,800) to Crowmarsh reception. This increase may in part reflect the consolidation of staff at Crowmarsh, although most moves took place towards the end of the financial year so could be expected to have little impact on the figures for the year as a whole.

92. Performance of the switchboard team against the key performance targets has remained steady for the past year. Comparisons with 2012/13 appear in the table below. Abandoned calls have averaged 3.0 per cent, which remains well within the Service Level Agreement (SLA) of five per cent. The percentage of calls answered within 20 seconds (an industry standard benchmark) was 85.8 percent, and remained well above the 80 per cent SLA throughout 2013/14, while the percentage of calls answered within 50 seconds also exceeded the revised SLA which was agreed with effect from 1 July 2013.

93. The front of house team has performed strongly, and monthly reports show that visitors are seen promptly with performance exceeding SLA for visitors seen within two minutes.

94. The table below shows performance against the SLA for the period 1 April 2013 to 31 March 2014. Individual KPT rating is calculated according to the guidance accompanying the contractor review process.

KPT ref	Description of KPT	Target	Performance 2012/13	2011/12 performance for comparison	Trend	Individual KPT rating (excellent, good, fair, weak or poor)	KPT rating score (excellent = 5, good = 4, fair = 3, weak = 2, poor = 1)
KPT 1	Abandoned call rate	5%	3.0%	3.5%	Better	Excellent	5
KPT 2	Calls answered within 20 seconds	80%	85.8%	87.0%	Worse	Excellent	5
KPT 3	Calls answered within 50 seconds	90%	90.4%	92.0%	Worse	Good	4
KPT 4	Personal callers seen within 2 minutes of arrival	80%	99.8%	99.6%	Better	Excellent	5
KPT 5	Personal callers seen within 5 minutes of arrival	100%	100%	99.9%	Better	Excellent	5
Overall "average" KPT performance rating score (allowing for zero weighting of shaded italic KPTs)							4.8
Overall "average" KPT performance (excellent, good, fair, weak or poor)							Excellent

Based on this performance the Head of HR, IT and Technical Services has made a judgement on KPT performance as follows:

KPT judgement	Excellent
Previous KPT judgement for comparison	Excellent

### Dimension 2 – Customer satisfaction

95. We use a range of methods to measure customer satisfaction with the service. This includes both direct feedback questionnaires collected from

customers immediately after their visit and analysis of complaints, and a postal and online survey of citizens' panel members. The citizens' panel survey is carried out every two years and there was no survey during 2013/14.

- 96. Customer feedback forms are displayed in the reception area, and staff are asked to encourage customers to provide feedback before leaving. Between April 2013 and March 2014, 887 feedback forms were completed.
- 97. Customers were asked 'Overall, how satisfied were you with the way in which your enquiry was handled at reception?' Of those who took part, 98.6 per cent were satisfied (2012/13: 95.7 per cent) and 0.3 per cent (2012/13: 1.3 per cent) were dissatisfied overall as shown below.

	Very satisfied	Satisfied	Neither satisfied or dissatisfied	Dissatisfied	Very dissatisfied
2013/14	89.8%	8.8%	1.1%	0.2%	0.1%
2012/13	88.7%	7.0%	2.9%	0.3%	1.0%

- 98. During 2013/14 we received one complaint about the front of house and switchboard service, relating to the council's response to an email sent to the generic info@southoxon.gov.uk mailbox. Capita's front of house team is responsible for processing email to this mailbox and there was some confusion over the response in the case in question. Capita's team leader made changes to the process of responding to email and there have been no further complaints. By comparison, in 2012/13 no customer complaints were received about the switchboard or front of house service.

- 99. The Head of HR, IT and Technical Services has made a judgement on customer satisfaction as follows:

Customer satisfaction judgement

Excellent

Previous Customer satisfaction judgement for comparison

Excellent

### Dimension 3 – Council satisfaction

- 100. An analysis of council satisfaction performance appears in Appendix 7, as judged by the customer service contract manager in consultation with relevant colleagues.
- 101. This produced a score of 4.28 out of a maximum score of 5.0. Based on this performance, the Head of HR, IT and Technical Services made the following judgement on Capita's delivery of council satisfaction:

Council satisfaction judgement

Good

Previous Council satisfaction judgement for comparison

Good



## Overall assessment

102. Taking into account the performance of Capita against KPTs, customer satisfaction and council satisfaction, the Head of HR, IT and Technical Services has made an overall judgement as follows. Recognising the high importance of customer satisfaction, this dimension is accorded greater weight in the judgement.

Overall assessment

Excellent

Previous Overall assessment for comparison

Excellent

## Strengths and areas for improvement

103. Appendix 7 records strengths and areas for improvement relating to the performance of Capita during the review period. Where performance is lower than that expected the contract manager will agree an improvement plan with Capita. This has not been required for this element of the contract.

## Contractor's feedback

104. A key feature of the process for reviewing the performance of contractors is that the council provides them with an opportunity to give their feedback on the assessment, including suggestions for improvements to council processes. This is included in for the contract as a whole in Appendix 8.

## Financial Implications

105. The contract with Capita incorporates a payment and performance mechanism. Issues around the exact application of the mechanism and the changes going forward are the responsibility of the Operational Board.

## Legal Implications

106. There are no legal implications arising from this report.

## Conclusion

107. The Head of Finance has assessed Capita's performance as follows for its delivery of the financial services contract:

- Revenues – excellent (12/13 – excellent)
- Benefits – excellent (12/13 – excellent)
- Exchequer (accounts payable, accounts receivable) – excellent (12/13 – excellent)
- Financial management system – good (12/13 excellent)

- **Payroll – good (12/13 excellent)**
- **Customer Contact – excellent (12/13 excellent)**

**Although four of the service areas have maintained their excellent rating there has been a slight deterioration in the quality of the services provided by Capita during 2013/14 in respect of Financial Management System and Payroll. Overall, the assessments given confirm that the services provided continue to be of a high standard and Capita should be congratulated for this. The governance process will continue to vigorously monitor the contract, and this, along with the commitment pledged by Capita management should help maintain those excellent service areas and improve service provision for those areas which have slipped for the remainder of the contract.**

Performance Targets	2012/2013 Target	2012/2013 Achieved	2013/2014 Target	2013/2014 Achieved
Percentage of Council Tax collected	98.60%	98.78%	98.60%	98.75%
Percentage of NNDR collected	99.40%	98.55%	99.40%	98.53%
Average time (days) for processing new benefit claims.	19	12.27	16	13.13
Average time (days) for processing benefit changes in circumstances	9.5	5.50	8.5	6.09
<b>NI181 Average time (days) for processing new claims and changes in circumstances</b>	13	6.30	10	6.90
Financial accuracy of benefit assessments	95%	97.18%	95%	96.82%

# Council satisfaction – Revenues

This assessment allows the council (as a client) to record its own satisfaction with aspects of a contractor's performance which lie outside Key Performance Targets and customer satisfaction. Each officer with direct knowledge and who frequently interacts with the contractor should complete this form. Questions can be left blank if not relevant to a contract or contractor.

Contractor / supplier / partner name

Capita

From (date) 1 April 2013

To 31 March 2014

## Service delivery

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dissatisfied	(1) Very dissatisfied
1 Understanding of the client's needs	✓				
2 Response time	✓				
3 Delivers to time	✓				
4 Delivers to budget	✓				
5 Efficiency of invoicing			✓		
6 Approach to health & safety	✓				
7 Supports the council's plans for joint working	✓				
8 *					

\* These spaces are deliberately left blank for the addition of any performance criteria which are specific to this particular contract / service.

## Communications and relations

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dissatisfied	(1) Very dissatisfied
9 Easy to deal with	✓				
10 Communications / keeping the client		✓			

	informed				
11	Quality of written documentation	✓			
12	Compliance with Council's corporate identity	✓			
13	Listening		✓		
14	Quality of relationship	✓			

### Improvement and innovation

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dissatisfied	(1) Very dissatisfied
15 Offers suggestions beyond the scope of work	✓				
16 Degree of innovation	✓				
17 Goes the extra mile		✓			
18 Supports the Council's sustainability objectives	✓				
19 Supports the Council's equality objectives	✓				
20 Degree of partnership working	✓				

### Key documents

If required, has the contractor provided the Council with annual updates of the following documents?

1. Annual Corporate Governance Assurance Statement? (Yes / No)
2. Updated risk register (Yes / No)
3. Annual business plan (Yes / No)
4. Updated business continuity plan (Yes / No)

### Strengths and areas for improvement

<b>Strengths</b>	<b>Revenues management</b>
------------------	----------------------------

<b>Areas for improvement</b>	<b>Knowledge and commitment of staff</b>
	<b>e-Government initiatives</b>
	<b>Supporting information for invoices</b>
	<b>Resilience when Revenues Manager is away</b>

### COUNCIL SATISFACTION ASSESSMENT

	<b>Very satisfied (5)</b>	<b>Satisfied (4)</b>	<b>Neither (3)</b>	<b>Dissatisfied (2)</b>	<b>Very dissatisfied (1)</b>	<b>Votes cast</b>
	<b>15</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>19</b>

Rating	Range	Votes	Weighting	Total weighted
<b>Very satisfied</b>	5.0	<b>15</b>	<b>X 5</b>	<b>75</b>
<b>Satisfied</b>	4.3	<b>3</b>	<b>X 4</b>	<b>12</b>
<b>Neither satisfied or dissatisfied</b>	3.9	<b>1</b>	<b>X 3</b>	<b>3</b>
<b>Dissatisfied</b>	3.4	<b>0</b>	<b>X 2</b>	<b>0</b>
<b>Very dissatisfied</b>	3.0	<b>0</b>	<b>X 1</b>	<b>0</b>

<b>Total</b>	19		90
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Calculation:  $90 \div 19 = 4.74$

**For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of contractors on customer satisfaction:**

<b>Score</b>	<b>4.3 – 5.0</b>	<b>3.9 – 4.3</b>	<b>3.4 – 3.9</b>	<b>3.0 – 3.4</b>	<b>&lt;3.0</b>
<b>Classification</b>	<b>Excellent</b>	<b>Good</b>	<b>Fair</b>	<b>Weak</b>	<b>Poor</b>

# Council satisfaction –Benefits

This assessment allows the council (as a client) to record its own satisfaction with aspects of a contractor’s performance which lie outside Key Performance Targets and customer satisfaction. Each officer with direct knowledge and who frequently interacts with the contractor should complete this form. Questions can be left blank if not relevant to a contract or contractor.

Contractor / supplier / partner name Capita

From (date) 1 April 2013 To 31 March 2014

## Service delivery

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dissatisfied	(1) Very dissatisfied
1 Understanding of the client's needs	✓				
2 Response time	✓				
3 Delivers to time	✓				
4 Delivers to budget	✓				
5 Efficiency of invoicing	✓				
6 Approach to health & safety	✓				
7 Supports the council's plans for joint working	✓				
8 *					

\* These spaces are deliberately left blank for the addition of any performance criteria which are specific to this particular contract / service.

## Communications and relations

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dissatisfied	(1) Very dissatisfied
9 Easy to deal with	✓				
10 Communications / keeping the client		✓			

	informed				
11	Quality of written documentation	✓			
12	Compliance with Council's corporate identity	✓			
13	Listening		✓		
14	Quality of relationship	✓			

### Improvement and innovation

	Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dissatisfied	(1) Very dissatisfied
15	Offers suggestions beyond the scope of work	✓				
16	Degree of innovation	✓				
17	Goes the extra mile		✓			
18	Supports the Council's sustainability objectives	✓				
19	Supports the Council's equality objectives	✓				
20	Degree of partnership working	✓				

### Key documents

If required, has the contractor provided the Council with annual updates of the following documents?

- |  |                          |
|--|--------------------------|
| 1. Annual Corporate Governance Assurance Statement? (Yes / No) | <input type="checkbox"/> |
| 2. Updated risk register (Yes / No)                            | <input type="checkbox"/> |
| 3. Annual business plan (Yes / No)                             | <input type="checkbox"/> |
| 4. Updated business continuity plan (Yes / No)                 | <input type="checkbox"/> |

### Strengths and areas for improvement

<b>Strengths</b>	<b>Benefits management including managing welfare reforms</b>
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Surgeries/home visiting
Equality awareness
e-Government initiatives

Areas for improvement

Could have been more engaged in amendments to annual CTRS uprating

### COUNCIL SATISFACTION ASSESSMENT

	Very satisfied (5)	Satisfied (4)	Neither (3)	Dissatisfied (2)	Very dissatisfied (1)	Votes cast
	16	3	0	0	0	19

Rating	Range	Votes	Weighting	Total weighted
Very satisfied	5.0	16	X 5	80
Satisfied	4.3	3	X 4	12
Neither satisfied or dissatisfied	3.9	0	X 3	0
Dissatisfied	3.4	0	X 2	0
Very dissatisfied	3.0	0	X 1	0

<b>Total</b>	19	92
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Calculation:  $92 \div 19 = 4.84$

For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of contractors on customer satisfaction:

Score	4.3 – 5.0	3.9 – 4.3	3.4 – 3.9	3.0 – 3.4	<3.0
Classification	Excellent	Good	Fair	Weak	Poor

# Council satisfaction – Exchequer

This assessment allows the Council (as a client) to record its own satisfaction with aspects of a contractor’s performance which lie outside Key Performance Targets and customer satisfaction. Each officer with direct knowledge and who frequently interacts with the contractor should complete this form. Questions can be left blank if not relevant to a contract or contractor.

Contractor / supplier / partner name Capita

From (date) 1 April 2013 To 31 March 2014

## Service delivery

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dissatisfied	(1) Very dissatisfied
1 Understanding of the client's needs	✓				
2 Response time	✓				
3 Delivers to time	✓				
4 Delivers to budget	✓				
5 Efficiency of invoicing	✓				
6 Approach to health & safety	✓				
7 Supports the Council’s plans for joint working	✓				
8					

## Communications and relations

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dissatisfied	(1) Very dissatisfied
9 Easy to deal with	✓				
10 Communications / keeping the client informed	✓				
11 Quality of written documentation		✓			

<b>12</b>	<b>Compliance with Council's corporate identity</b>	✓			
<b>13</b>	<b>Listening</b>	✓			
<b>14</b>	<b>Quality of relationship</b>	✓			

**Improvement and innovation**

	Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dissatisfied	(1) Very dissatisfied
<b>15</b>	<b>Offers suggestions beyond the scope of work</b>	✓				
<b>16</b>	<b>Degree of innovation</b>	✓				
<b>17</b>	<b>Goes the extra mile</b>	✓				
<b>18</b>	<b>Supports the Council's sustainability objectives</b>	✓				
<b>19</b>	<b>Supports the Council's equality objectives</b>	✓				
<b>20</b>	<b>Degree of partnership working</b>	✓				

**Key documents**

If required, has the contractor provided the Council with annual updates of the following documents?

1. Annual Corporate Governance Assurance Statement? (Yes / No)
2. Updated risk register (Yes / No)
3. Annual business plan (Yes / No)
4. Updated business continuity plan (Yes / No)

**Strengths and areas for improvement**

<b>Strengths</b>	<b>Processing of standard basic functions for AP and AR</b>
	<b>Exchequer management and keenness and helpfulness of staff</b>
	<b>Management of brown bin administration process</b>

Areas for improvement

Making sure that Agresso updates notified by the grids are updated and correct before officers are notified.


### COUNCIL SATISFACTION ASSESSMENT

	Very satisfied (5)	Satisfied (4)	Neither (3)	Dissatisfied (2)	Very dissatisfied (1)	Votes cast
	18	1	0	0	0	19

Rating	Range	Votes	Weighting	Total weighted
<b>Very satisfied</b>	5.0	<b>18</b>	<b>X 5</b>	<b>90</b>
<b>Satisfied</b>	4.3	<b>1</b>	<b>X 4</b>	<b>4</b>
<b>Neither satisfied or dissatisfied</b>	3.9	<b>0</b>	<b>X 3</b>	<b>0</b>
<b>Dissatisfied</b>	3.4	<b>0</b>	<b>X 2</b>	<b>0</b>
<b>Very dissatisfied</b>	3.0	<b>0</b>	<b>X 1</b>	<b>0</b>

<b>Total</b>		20		94
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Calculation:  $94 \div 20 = 4.96$

**For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of contractors on customer satisfaction:**

<b>Score</b>	4.3 – 5.0	3.9 – 4.3	3.4 – 3.9	3.0 – 3.4	<3.0
<b>Classification</b>	Excellent	Good	Fair	Weak	Poor

# Council satisfaction – FMS

This assessment allows the Council (as a client) to record its own satisfaction with aspects of a contractor's performance which lie outside Key Performance Targets and customer satisfaction. Each officer with direct knowledge and who frequently interacts with the contractor should complete this form. Questions can be left blank if not relevant to a contract or contractor.

Contractor / supplier / partner name

Capita

From (date) 1 April 2013

To 31 March 2014

## Service delivery

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dissatisfied	(1) Very dissatisfied
1 Understanding of the client's needs		√			
2 Response time		√			
3 Delivers to time	√				
4 Delivers to budget	√				
5 Efficiency of invoicing		√			
6 Approach to health & safety	√				
7 Supports the Council's plans for joint working	√				
8 *Contingency plans	√				

\* These spaces are deliberately left blank for the addition of any performance criteria which are specific to this particular contract / service.

## Communications and relations

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dissatisfied	(1) Very dissatisfied
9 Easy to deal with		√			
10 Communications / keeping the client informed		√			

**Agenda Item 5  
Appendix 5**

11	Quality of written documentation	√			
12	Compliance with Council's corporate identity	√			
13	Listening	√			
14	Quality of relationship	√			

**Improvement and innovation**

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dissatisfied	(1) Very dissatisfied
15 Offers suggestions beyond the scope of work			√		
16 Degree of innovation			√		
17 Goes the extra mile			√		
18 Supports the Council's sustainability objectives	√				
19 Supports the Council's equality objectives	√				
20 Degree of partnership working		√			

**Key documents**

If required, has the contractor provided the Council with annual updates of the following documents?

- 1. Annual Corporate Governance Assurance Statement? (Yes / No)
- 2. Updated risk register (Yes / No)
- 3. Annual business plan (Yes / No)
- 4. Updated business continuity plan (Yes / No)

**Strengths and areas for improvement**

<b>Strengths</b>	<b>The contractor does hard work to resolve issues once raised</b>

Areas for improvement

To improve their communications with the client and importantly develop a better understanding the client's needs;

To improve quality control

### COUNCIL SATISFACTION ASSESSMENT

	Very satisfied (5)	Satisfied (4)	Neither (3)	Dissatisfied (2)	Very dissatisfied (1)	Votes cast
	7	10	3	0	0	20

Rating	Range	Votes	Weighting	Total weighted
<b>Very satisfied</b>	5.0	7	X 5	35
<b>Satisfied</b>	4.3	10	X 4	40
<b>Neither satisfied or dissatisfied</b>	3.9	3	X 3	9
<b>Dissatisfied</b>	3.4	0	X 2	0
<b>Very dissatisfied</b>	3.0	0	X 1	0

<b>Total</b>		20		84
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Calculation:  $84 \div 20 = 4.2$

For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of contractors on customer satisfaction:

<b>Score</b>	<b>4.3 – 5.0</b>	<b>3.9 – 4.3</b>	<b>3.4 – 3.9</b>	<b>3.0 – 3.4</b>	<b>&lt;3.0</b>
<b>Classification</b>	<b>Excellent</b>	<b>Good</b>	<b>Fair</b>	<b>Weak</b>	<b>Poor</b>

# Payroll

This assessment allows the Council (as a client) to record its own satisfaction with aspects of a contractor's performance which lie outside Key Performance Targets and customer satisfaction. Each officer with direct knowledge and who frequently interacts with the contractor should complete this form. Questions can be left blank if not relevant to a contract or contractor.

Contractor / supplier / partner name Capita

From (date) 1 April 2013 To 31 March 2014

## Service delivery

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dissatisfied	(1) Very dissatisfied
1 Understanding of the client's needs		✓			
2 Response time		✓			
3 Delivers to time			✓		
4 Delivers to budget	✓				
5 Efficiency of invoicing	✓				
6 Approach to health & safety					
7 Supports the council's plans for joint working					
8 *					

\* These spaces are deliberately left blank for the addition of any performance criteria which are specific to this particular contract / service.

## Communications and relations

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dissatisfied	(1) Very dissatisfied
9 Easy to deal with		✓			
10 Communications / keeping the client informed		✓			



<b>11</b>	<b>Quality of written documentation</b>	✓			
<b>12</b>	<b>Compliance with Council's corporate identity</b>	✓			
<b>13</b>	<b>Listening</b>	✓			
<b>14</b>	<b>Quality of relationship</b>	✓			

### Improvement and innovation

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dissatisfied	(1) Very dissatisfied
<b>15</b> Offers suggestions beyond the scope of work		✓			
<b>16</b> Degree of innovation		✓			
<b>17</b> Goes the extra mile		✓			
<b>18</b> Supports the Council's sustainability objectives					
<b>19</b> Supports the Council's equality objectives					
<b>20</b> Degree of partnership working	✓				

### COUNCIL SATISFACTION ASSESSMENT

	Very satisfied (5)	Satisfied (4)	Neither (3)	Dissatisfied (2)	Very dissatisfied (1)	Votes cast
	5	9	1	0	0	15

Rating	Range	Votes	Weighting	Total weighted
<b>Very satisfied</b>	5.0	5	X 5	25
<b>Satisfied</b>	4.3	9	X 4	36
<b>Neither satisfied or dissatisfied</b>	3.9	1	X 3	3
<b>Dissatisfied</b>	3.4	0	X 2	0
<b>Very dissatisfied</b>	3.0	0	X 1	0

<b>Total</b>		19		64
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Calculation: **64 ÷ 15 = 4.26**

For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of contractors on customer satisfaction:

<b>Score</b>	<b>4.3 – 5.0</b>	<b>3.9 – 4.3</b>	<b>3.4 – 3.9</b>	<b>3.0 – 3.4</b>	<b>&lt;3.0</b>
<b>Classification</b>	<b>Excellent</b>	<b>Good</b>	<b>Fair</b>	<b>Weak</b>	<b>Poor</b>

# Review of Performance of Switchboard and Reception Services

This assessment allows the Council (as a client) to record its own satisfaction with aspects of a contractor's performance which lie outside Key Performance Targets and customer satisfaction. Each officer with direct knowledge and who frequently interacts with the contractor should complete this form. Questions can be left blank if not relevant to a contract or contractor.

Contractor / supplier / partner name

Capita

From (date) 1 April 2013

To 31 March 2014

## SERVICE DELIVERY

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dissatisfied	(1) Very dissatisfied
1 Understanding of the client's needs	✓				
2 Response time		✓			
3 Delivers to time		✓			
4 Delivers to budget	✓				
5 Efficiency of invoicing		✓			
6 Approach to health & safety	✓				
7 *					
8 *					

\* These spaces are deliberately left blank for the addition of any performance criteria which are specific to this particular contract / service.

## COMMUNICATIONS AND RELATIONS

Attribute	(5) Very satisfied	(4) Satisfied	(3) Neither	(2) Dissatisfied	(1) Very dissatisfied
9 Easy to deal with	✓				
10 Communications / keeping the client informed	✓				

<b>11</b>	<b>Quality of written documentation</b>	✓			
<b>12</b>	<b>Compliance with Council's corporate identity</b>	✓			
<b>13</b>	<b>Listening</b>	✓			
<b>14</b>	<b>Quality of relationship</b>	✓			

## IMPROVEMENT AND INNOVATION

<b>Attribute</b>	<b>(5) Very satisfied</b>	<b>(4) Satisfied</b>	<b>(3) Neither</b>	<b>(2) Dissatisfied</b>	<b>(1) Very dissatisfied</b>
<b>15</b>			✓		
<b>16</b>		✓			
<b>17</b>	✓				
<b>18</b>			✓		
<b>19</b>		✓			
<b>20</b>		✓			

## STRENGTHS AND AREAS FOR IMPROVEMENT

### Strengths

**The front of house team delivers a good professional service to customers, and has continued to show flexibility during times of change such as the move of many staff from Abbey House to Crowmarsh. Capita's customer service manager keeps us well informed and always demonstrates a desire to offer a high quality service. The feedback from customer feedback forms is excellent.**

**The switchboard service is generally efficient and meets all SLAs. The introduction of interactive voice response has helped to reduce costs and has been taken up by just over half of all switchboard callers.**

### Areas for improvement

**In response to last year's comment, Capita's reporting of key performance indicators has improved, but reminders are still required occasionally.**

Council satisfaction calculation

Very satisfied (scores 5)	Satisfied (4)	Neither (3)	Dissatisfied (2)	Very dissatisfied (1)	Number of items assessed
7	9	2	0	0	18

Calculation	Range	Number of items	Calculation	Total weighted
<b>Very satisfied</b>	5.0	<b>7</b>	<b>X 5</b>	<b>35</b>
<b>Satisfied</b>	<b>4.3</b>	<b>9</b>	<b>X 4</b>	<b>36</b>
<b>Neither satisfied or dissatisfied</b>	<b>3.9</b>	<b>2</b>	<b>X 3</b>	<b>6</b>
<b>Dissatisfied</b>	3.4	<b>0</b>	<b>X 2</b>	<b>0</b>
<b>Very dissatisfied</b>	3.0	<b>0</b>	<b>X 1</b>	<b>0</b>

<b>Total</b>		18		77
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Calculation:  $75 \div 18 = 4.28$

**For reasons of consistency with previous assessments, and for fairness between contractors, the following is a rough guide to the assessment of contractors on customer satisfaction:**

Score	<3.0	3.0 – 3.399	3.4 – 3.899	3.9 – 4.299	4.3 – 5.0
Classification	Poor	Weak	Fair	Good	Excellent

## **Contractor 360° feedback**

### **Contractor's reaction / feedback on Council's assessment**

Capita is pleased to be given the opportunity to feedback on the findings of this annual report. The contents whilst not always positive are a very valuable tool to:

- Enable key service areas to meet and reflect across a whole year
- Understand, in the context of an overall contract, the positives and negatives
- Identify learning points from both organisations' point of view, to enable the service to be developed and improved as time progresses
- Document, for councillors, a good picture of the overall contract.

Capita is fully committed to this process, and believes it can be one very important tool for improving service to customers.

The Revenues service had another very good year despite the ongoing financial pressures felt across the area. The next year's focus will be on opening up further lines of electronic interaction for the customers to enable them to receive a swifter and more efficient resolution to their enquiries.

The Benefit service once more delivered very high levels of performance amid the many legislation changes introduced by the Government. As with revenues we will be opening up more on-line service offerings during the coming year with the aim of improving the overall customer experience.

Our Call Centre managed extremely well given the sharp increase in calls generated by the numerous changes to both revenues and benefits last year. Between revenues and benefits Capita handled 10,541 extra calls last year (20% increase on the previous year) and due to the more complicated nature of the calls this equated to the work of an additional 5 FTE. Whilst we failed to meet the 80/20 SLA Capita believes that this still represented an excellent achievement in the circumstances.

Overall Capita is pleased with the report and we look forward to working closely with the council to make further improvements in the coming 12 months. We will again be focusing on deploying technology lead improvements which should lead to better service availability for all residents.

### **Any areas where contractor disagrees with assessment**

**Para 68.**

The system admin team regularly use the knowledge that they have gained from other contracts, and where possible this is utilised on this contract, however in the majority of cases we do not get problems that affect all clients and therefore issues have to be logged with the software provider. Capita welcomed the council to come to visit the Mendip site and completed a knowledge share on Excelerator, as well as using one of the technical accountants to share knowledge on fixed assets to avoid the council having to pay unnecessary consultancy costs. Capita are also currently arranging a date for the accountancy team to come to Mendip to view the planner setup. Mendip staff (not working on SODC) have also attended one of the local accountancy meetings and shared their experiences with the accountancy team.

**Para 69**

Capita prides itself on a quality service, however on occasions incorrect information was provided by the council regarding budget uploads, the incorrect templates were sent multiple times and additional checks had to be introduced by the system admin team to ensure the template was correct before loading. These checks should not have been required but due to the inaccurate information being provided they became necessary. Whilst some quality issues were identified with data grids this process has since been reviewed. For many years this was controlled by a member of staff with limited knowledge of how the approvals process worked. This weakness was identified and is now managed by an appropriately skilled member of staff. Since this change of staff the process has greatly improved and whilst there were some issues to start with, these have now been resolved and was this was recognised in the last audit.

**General Comments regarding FMS**

Capita believe that some of the scoring on council satisfaction is an unfair reflection of our work during the year.

Offers suggestions beyond the scope of work - As previously mentioned we have offered visits to the Mendip site to allow knowledge sharing which is definitely outside the scope of the contract, we have also initiated new uses of the Agresso system (see below) which had not previously been looked at by the council.

Degree of innovation – whilst there may be some recognition of innovation under AP & AR there have been a number of enhancements made to the system over the last year including the workflow for credit control, the suggestion of GL workflow, documents provided on Contract accounting as well as a document outlining the benefits of upgrading to 5.6. Enhancing the system for accountancy is difficult as there are no set accountancy meetings (unlike the debtors or super users that happen regularly) and the Agresso development meetings have been few and far between. The suggestions made around GL workflow and 5.6 were not taken forward due to accountancy, which is not a reflection of Capita's lack of innovation.

Goes the extra mile – as previously mentioned we have seen an increase in calls but have still exceed our own internal SLA, we have had to implement additional controls in some areas due to errors that have occurred, this included the budget upload process. The team have had to handle additional phone calls due to issues with cash postings which caused several customer complaints, these were caused by cash postings not being carried out in a timely manner or in certain instances missed altogether.





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